

Supplemental Mortgage Loans

Fannie Mae Multifamily offers subordinate financing options for multifamily properties with an existing Fannie Mae Portfolio Mortgage Loan.

Benefits

- Lower cost than refinancing
- Access to additional capital
- Flexible loan terms
- Certainty of execution
- Speed in processing and underwriting

Eligibility

- Stabilized Conventional Properties, Multifamily Affordable Housing Properties, Seniors Housing Properties, Student Housing Properties, and Manufactured Housing Communities
- Subordinate to existing Fannie Mae fixed rate or variable rate Mortgage Loans
- Bond Credit Enhancement Mortgage Loans are eligible for Supplemental Mortgage Loans with prior approval of Fannie Mae
- Lender must be the Servicer of the existing Fannie Mae Mortgage Loan
- Fannie Mae must be the only debt holder on the Property

For More Information contact a Fannie Mae representative or visit the Multifamily Financing Options site for details.

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Term	<ul style="list-style-type: none"> • A minimum of 5 years and a maximum of 30 years. • May be either coterminous or non-coterminous with the Maturity Date of the Senior Mortgage Loan.
Amortization	Up to 30 years
Interest Rate	Fixed and variable rate options available
Maximum LTV	As high as 75%, depending upon asset class and use of proceeds
Minimum DSCR	As low as 1.30x, depending upon asset class and use of proceeds
Supplemental Loan Timing	Supplemental Mortgage Loans are available 12 months after the closing of the senior Fannie Mae Mortgage Loan.
Prepayment Availability	<ul style="list-style-type: none"> • Supplemental Mortgage Loans may be voluntarily prepaid upon payment of yield maintenance for fixed rate loans and graduated prepayment for variable rate loans. • The Prepayment Premium Period End Date of a Supplemental Mortgage Loan need not coincide with the Prepayment Premium Period End Date of the Senior Mortgage Loan.
Rate Lock	30- to 180-day commitments. Borrower may Rate Lock using the Streamlined Rate Lock option.
Accrual	30/360 and Actual/360

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Recourse	Non-recourse execution with standard recourse carve-outs required for “bad acts” such as fraud and bankruptcy.
Escrows	Replacement Reserve, tax and insurance escrows are typically required, based on the resulting Underwriting Tier of the combined Pre-Existing Mortgage Loans and Supplemental Mortgage Loan.
Third-Party Reports	A new Appraisal is required. Other standard third-party reports, including Phase I Environmental Assessment and Property Condition Assessment may not be required if certain conditions are met.
Assumption	Supplemental Mortgage Loans are typically assumable with a concurrent assumption of the senior Mortgage Loans, subject to review and approval of the new borrower’s financial capacity and experience.

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